

# ConserFund Basics

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The ConserFund Loan program was established by the South Carolina Energy Office to assist government and non-profit entities in carrying out energy efficiency projects. Here are answers to commonly asked questions:

***Who is eligible to receive a ConserFund Loan?***

Government entities (state, local, regional) and non-profit organizations (with appropriate financial assurances) are eligible to apply.

***What is the interest rate?***

The interest rate is evaluated each June. The rate is currently 2.0%.

***Does the interest rate change over the life of the loan?***

No. Your interest rate will remain constant once the loan agreement is signed.

***How much can I borrow?***

The minimum loan amount is \$25,000 and the maximum is \$500,000 per (state) fiscal year. Someone could borrow up to the maximum before July 1 of a given year, then borrow additional funds after July 1 if necessary for a large project.

***How long is the term of the loan?***

The maximum term is 10 years. However, loans should not extend beyond one and one-half times the expected payback of the loan. In other words, if your planned activity is expected to pay for itself in 4 years, your loan would be for no more than 6 years.

***Is there a penalty for paying off the loan more quickly than planned?***

No.

***How are loan applications evaluated?***

Loans are evaluated in two ways: financial stability of the borrower and technical merit of the proposed energy measure(s). We want the borrower to be able to repay the loan and we want to see that the proposed energy measure(s) will generate savings that pay for themselves within a period of approximately 8 years.

***How does it work?***

Once the loan is approved, and the loan document is signed by you (the borrower) and SCEO (the lender) you may begin work. As work is completed and contractors submit invoices to you, you may request progress payments based on work completed and invoices received.

Borrowers have a grace period while their energy project is completed. Once the project(s) is complete, interest begins accruing, but the first payment is not due until one year after the

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designated construction period is over. This way, the borrower will have a year's worth of savings from the project before payments have to be made.

Once the project is complete, SCEO will monitor the project to be sure what was done matches the purpose of the loan, and to gather "success stories" to inspire others.

### ***What do I need to do to apply?***

1. Have a technical analysis completed by an engineer or other professional who is a Professional Engineer (PE), a Certified Energy Manager (CEM) or an Accredited Commercial Energy Manager (ACEM) so that you know which energy measures will yield the greatest savings, have a plan in place, and know how much you need to borrow. In some cases, vendors may prepare the technical analysis if you are only contemplating one type of energy measure. For guidelines on completing a technical analysis, see <http://www.energy.sc.gov/files/TechnicalAnalysisGuidelines.pdf>
2. Based on the information provided in the technical analysis, complete the application form found at <http://www.energy.sc.gov/files/ConserFundApplication.pdf> and have it signed by the appropriate official with authority over financial matters. Once signed, you may scan the form and email it to [tjerman@energy.sc.gov](mailto:tjerman@energy.sc.gov) or send a physical copy through the mail.
3. Include with the application (either scanned or in hard copy)
  - a. A copy of the technical analysis
  - b. The last three years of audited financial statements
  - c. The current year-to-date financial statement

### ***What about collateral?***

If you are a state or local government agency, we will use the Treasurer's funds intercept to recoup loan payments if you default. If you are a federal agency or a non-profit, we will need to make other arrangements, generally in the form of an automatically renewing bank letter of credit. Arrangements will be developed as appropriate for individual borrowers.

Questions? Call the South Carolina Energy Office at 803-737-8030